**Policy 2120: Cash**

**Model Policy Revised Date: 10/03/2024**

**General Policy Statement:**

The Board of Directors delegates authority and responsibility to management for developing safe and sound procedures for the control of cash. The Board retains ultimate responsibility for the safeguarding of cash. Notwithstanding this delegation, the Board will monitor control and compliance by approving cash limits and reviewing surprise cash counts, independent audits, and Supervisory Committee and regulatory examinations.

The cash policy provides a broad framework for management to follow in formulating and implementing prudent procedures and will comply with surety bond limits.

1. **CASH LIMITS.** The Board expects [[CUname]] (Credit Union) to operate within insurance and approved cash limits. However, the Board recognizes that seasonal demands may require the Credit Union to maintain greater amounts of cash. In such cases, management must formally document and submit to the Board reasons for deviations and associated insurance adjustments, as needed.

	1. **Total Cash.** Total cash shall be kept at a minimum. If cash levels exceed [[2120-1]] % of the total asset portfolio, management should take immediate steps to invest excess cash in suitable securities. If seasonal changes in market conditions warrant deviation from the policy, management should submit a report to the Board supporting additional cash needs.
	2. **Vault Cash.** Vault cash should not exceed $[[2120-2]].
	3. **Teller Drawers.** Each teller drawer should not exceed $[[2120-3]].
	4. **ATM.** Each ATM should not exceed $[[2120-4]].
	5. **Petty Cash**. Petty cash should not exceed $[[2120-5]].
	6. **Cash Recyclers.** Each Cash Recycler should not exceed $[[2120-6]].
	7. **Interactive Teller Machine (ITM)/Video Teller Machine (VTM).** Each ITM/VTM should not exceed $[[2120-7]].
2. **CASH CONTROL.** Management shall develop safe and sound procedures for cash control, including procedures for:

	1. Reconciling cash accounting entries.
	2. Supporting all postings to the general ledger and subsidiary ledgers.
	3. Tracking receipt and disbursement of cash.
	4. Identifying and resolving discrepancies in balances.
	5. Maintaining over and short records for all persons handling cash.
	6. Receiving shipments of cash under dual control.
	7. Safeguarding teller and vault cash by:

		1. Assigning responsibility and accountability;
		2. Controlling passwords, combinations, and keys;
		3. Installing and maintaining proper security devices;
		4. Exercising dual control when appropriate;
		5. Maintaining minimum cash levels;
		6. Providing adequate training to ensure the:

			1. Proper implementation of policy, procedures, and operational guidelines;
			2. Accuracy in the handling and accounting for cash;
			3. Verification of cash shipped and received;
			4. Detection of counterfeit and schemes to defraud;
			5. Proper response in emergency situations; and
			6. Disaster recovery.
	8. Safeguarding ATMs and night depositories.
	9. Separating and segregation of duties where necessary.
	10. Overseeing regular cash counts and audits.
	11. Monitoring compliance with procedures, laws, and regulations.